

District of Columbia Retirement Board (DY0)

The mission of the District of Columbia Retirement Board (the "Board") is to invest, control and manage the assets of the D.C. Teachers' Retirement System and the D.C. Police Officers and Fire Fighters' Retirement System.

Agency Director	Jorge Morales
Proposed Operating Budget (\$ in thousands)	\$11,414

Fast Facts	
<ul style="list-style-type: none"> The proposed FY 2001 operating budget is \$11,413,742, an increase of \$1,521,591 over the FY 2000 budget. There are 14 full-time equivalent (FTE) positions supported by this budget. The FY 2001 actuarial certification estimated the current value of assets at \$1.7 billion. 	<ul style="list-style-type: none"> For FY 2001, the employer contribution rates for covered payroll are 2.3 percent for teachers, 18.8 percent for police officers, and 22.3 percent for firefighters. The employer contributions to the District's retirement systems are reflected in the Teachers' Retirement System agency (GX0) and the Police Officer and Fire Fighters' Retirement System agency (FD0).

FY 2001 Proposed Budget by Control Center

The basic unit of budgetary and financial control in the District's financial management system is a control center. The District of Columbia Retirement Board is comprised of one control center that serves as the major component of the agency's budget.

FY 2001 Proposed Budget by Control Center

(Dollars in Thousands)

D.C. Retirement Board

Control Center	Proposed FY 2001 Budget
1000 ADMIN	11,414
DY0 D.C. Retirement Board	11,414

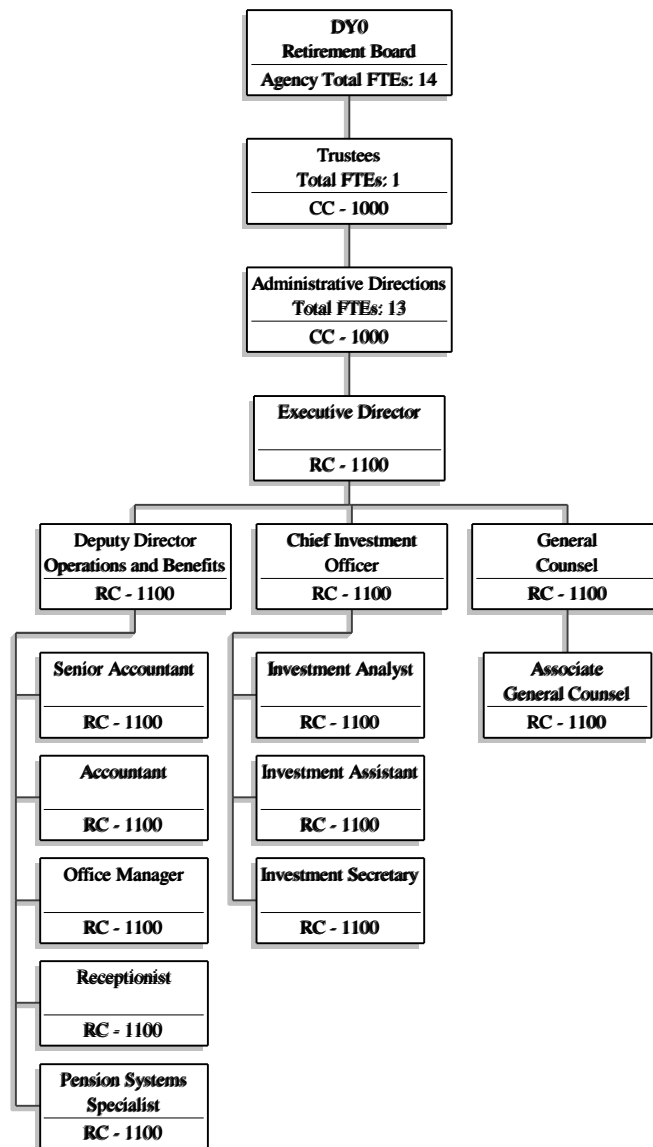
Agency Overview and Organization

The Retirement Board sets overall policy to manage the District's retirement systems—Teachers' and the Police Officers and Fire Fighters' Retirement Systems. Since its inception, the Board has operated under a committee system, thereby providing a two-tiered process for fiduciary review and analysis. In this manner, the board, consistent with its fiduciary duties, thoroughly and comprehensively reviews all issues brought before it.

Twelve trustees serve on the Board: three are appointed by the Mayor; three are appointed by the District of Columbia Council; and six are elected by their beneficiaries and participant groups. Currently, the Board has five standing committees (Benefits, Investment, Legislative, Operations, and Minority Participation). To implement Board policies, an Executive Director, along with other staff, manage the daily operations. This allows the Trustees to effectively discharge their fiduciary and administrative responsibilities pursuant to sections 121 and 181 of the District of Columbia Retirement Reform Act (P.L. 96-122). The Board and its staff have statutory and operational responsibilities in the following issues:

- Custody and investment of retirement funds;
- Oversight of contributions to the funds by the District government and employees;
- Oversight of benefit payments to annuitants;
- Reporting and disclosure; and
- Organization and operation of the Board.

District of Columbia Retirement Board (DY0)



FY 2001 Proposed Operating Budget

The District of Columbia Retirement Board's Operating Budget is composed of two categories: (1) Personal Services (PS), and (2) Nonpersonal Services (NPS).

Within the PS budget category are several object classes of expenditure such as regular pay, other pay, additional gross pay, and fringe benefits. Within the NPS budget category are several object classes of expenditure such as supplies and materials, utilities, communications, rent, other services and charges, contractual services, subsidies and transfers, equipment and equipment rental, and debt service.

Authorized spending levels present the dollars and related full-time equivalents (FTE) by revenue type. Revenue types include: Local (tax and non-tax revenue not earmarked for a particular purpose); Federal (revenue provided by the federal government to support federally established programs or grants for particular purpose); Private and Other (charitable contributions and fees from fines, etc); and Intra-District (payments for services provided by one District agency to another District agency).

FY 2001 Proposed Operating Budget

(Dollars in Thousands)

D.C. Retirement Board

Director's Retirement Board

Object Class	FY 1999 Unaudited	Budget FY 2000	Proposed FY 2001	Variance				
Regular Pay -Cont. Full Time	505	728	901	173				
Regular Pay - Other	38	55	65	10				
Additional Gross Pay	51	0	70	70				
Fringe Benefits	74	110	146	36				
Subtotal for: Personal Services (PS)	668	893	1,182	289				
Supplies and Materials	11	75	134	59				
Telephone, Telegraph, Telegram	8	15	20	5				
Rentals - Land and Structures	246	275	275	0				
Other Services and Charges	13,275	8,554	9,694	1,140				
Subsidies and Transfers	730	0	0	0				
Equipment and Equipment Rental	7	80	108	28				
Subtotal for: Nonpersonal Services (NPS)	14,277	8,999	10,232	1,233				
Total Expenditures:	14,945	9,892	11,414	1,522				
Authorized Spending Levels by Revenue Type:								
	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars
Local	0	1	0	0	0	0	0	0
Other	10	14,944	13	9,892	14	11,414	1	1,522
Total:	10	14,945	13	9,892	14	11,414	1	1,522

Agency Funding Summary

The proposed FY 2001 operating budget *for all funding sources* is \$11,413,742, an increase of \$1,521,591 or 15.4 percent, over FY 2000 approved budget. The District of Columbia Retirement Board receives funding from Other sources. There are 14 FTEs supported by this control center.

- **Other.** The proposed *other* budget is \$11,413,742, an increase of \$1,521,591 over the FY 2000 budget. Of this increase, \$288,590 is in personal services, and \$1,233,001 is in nonpersonal services. There are 14 full-time equivalent positions funded by Other sources.

The change in personal services is comprised of:

- \$172,905 increase based on agency personal services adjustments to regular pay – continuing full-time.
- \$70,000 increase for overtime.
- \$35,685 increase based on agency fringe benefit adjustments.
- \$10,000 increase for one additional board member (WAE), and increased compensation for two board members.

The change in nonpersonal services is comprised of:

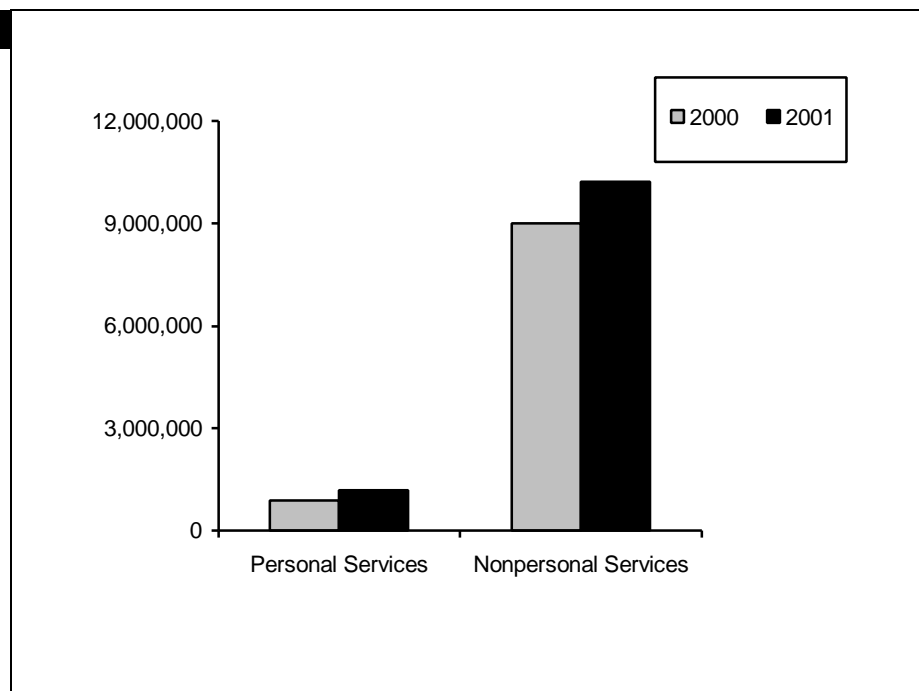
- \$5,311 increase for phone costs based on agency estimates.
- \$1,140,284 increase for costs associated with the fund managers, consultants and retirement fund investment requirements.
- \$59,306 increase for costs associated to install and maintain Internet service, to renew periodical subscriptions, and to purchase additional supplies.
- \$28,100 increase to purchase additional office equipment.

Figure 1

FY 2001 Proposed Budget Includes an increase for PS and NPS

Personal Services increase by 32.3 percent, from \$893,462 to \$1.2 million, based on agency adjustments.

Nonpersonal services decreased by 13.7 percent, from \$9.0 million to \$10.2 million, based on agency adjustments. The increase is primarily attributable to costs associated with the fund managers and consultants.



Occupational Classification Codes

Occupational Classification Codes (OCC) are used by federal agencies like the Bureau of Labor and Census Bureau, as a way of classifying workers into eight major occupational categories for the purpose of collecting, calculating, or disseminating data. The District of Columbia Retirement Board workforce is divided among four occupational classification codes.

Agency FTEs by Occupational Classification Code

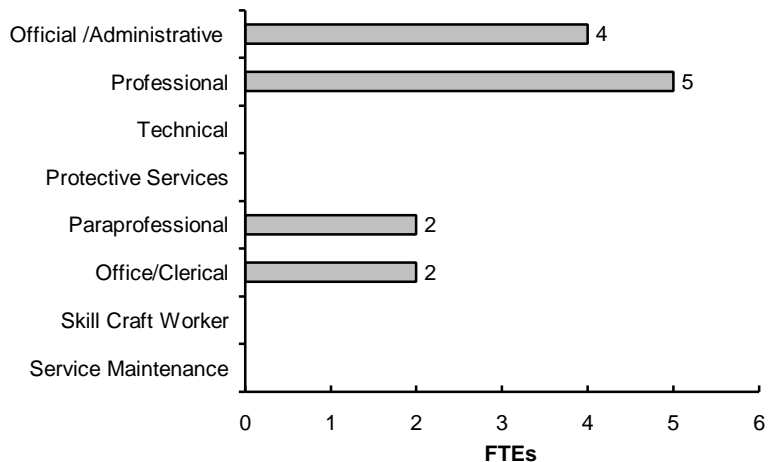
OC Code	FTEs in FY 2001
Official /Administrative	4
Professional	5
Technical	0
Protective Services	0
Paraprofessional	2
Office/Clerical	2
Skill Craft Worker	0
Service Maintenance	0
Total	13

Note: The remaining one FTE represents 12 Trustee positions (WAE) and can not be classified.

FTE Analysis

Agency FTEs by Occupational Classification Code

The District of Columbia Retirement Board is an independent administrative agency. Of the total FTEs, 38 percent are Professional. Another 31 percent are Official or Administrative employees.



Performance Measures for (1100 Administrative)

Assumed rate of return on investments determined by the enrolled actuary for performing the plan valuation

Performance Measures	1998 Actual	1999 Actual	2000 Estimate	2001 Projected	None
Assumed rate of return on investment	7.25%	7.25%	7.25%	7.25%	None

Customized benchmark rate of return on investments

Performance Measures	1998 Actual	1999 Actual	2000 Estimates	2001 Projected	None
Customized benchmark rate of return on investments	10.5%	9.4%	9%	8.3%	None

Actual rate of return on investments

Performance Measures	1998 Actual	1999 Actual	2000 Estimates	2001 Projected	None
Actual rate of return on investments	1.7%	18.5%	9%	8.3%	None

Excess actual rate over the actuarial assumed rate of return

Performance Measures	1998 Actual	1999 Actual	2000 Estimates	2001 Projected	None
Variance between actual rate of return and assumed rate of return	-5.55%	11.25%	1.75%	1.05%	None

Excess of actual rate of return over the customized benchmark

Performance Measures	1998 Actual	1999 Actual	2000 Estimates	2001 Projected	None
Variance between actual rate of return and customized benchmark rate of return	-8.8%	9.1%	0	0	None